

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	)	
	)	Magistrate No. 21-813
v.	)	<b>[UNDER SEAL]</b>
	)	
RANDY FRASINELLI	)	

**AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT**

I, Special Agent (SA) Sean Langford, being duly sworn according to law, depose and say as follows:

1. This affidavit is made in support of a request for a criminal complaint and arrest warrant against Randy Frasinelli. For the reasons below, there is probable cause to believe that Randy Frasinelli has committed bank fraud, in violation of 18 U.S.C. § 1344, and money laundering, in violation of 18 U.S.C. § 1957(a).

2. Affiant is a Special Agent of the Federal Bureau of Investigation (FBI), United States Department of Justice (USDOJ), and has been so employed for over sixteen years. Since March 2011, Affiant has been with the Pittsburgh Division assigned to a white-collar and public corruption crime squad. In the course of my training and experience, Affiant has become familiar with the methods and techniques associated with the investigations of white-collar schemes to defraud. My experience as an FBI Special Agent has included the investigation of cases involving public corruption, bank fraud, mail fraud, wire fraud, money laundering, bankruptcy fraud, and other financial crimes, and I have enforced federal laws prohibiting these offenses.

3. The facts in this Affidavit come from my personal investigation, witness interviews, a review of records, including certain records obtained via grand jury subpoena, and through other investigative techniques.

4. Since this Affidavit is being submitted for the purpose of securing a criminal complaint, I am not including each and every fact known to me in this investigation.

### **OVERVIEW OF THE “CARES” ACT**

5. In response to the coronavirus pandemic and economic crisis, Congress passed the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The CARES Act was signed into law on March 27, 2020, and included funding for the Paycheck Protection Program (PPP).

6. In order to obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the business. The PPP loan application requires the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) must state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses.

7. A PPP loan application includes the following certifications (emphasis added):

- a. ***The Applicant was in operation on February 15, 2020*** and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- b. Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- c. ***The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments***, as specified

under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

- d. The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.
- e. The Applicant further certifies that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. ***I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.***

8. A PPP loan application must be processed by an authorized Small Business Administration (SBA) lender. If an application is approved, the participating lender funds the PPP loan using its own monies, which are 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

9. PPP loan proceeds must be used by the business on certain permissible expenses – payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time and uses a certain percentage of the PPP loan proceeds on payroll expenses.

### **PROBABLE CAUSE**

10. Randy A. Frasinelli claims to be the sole proprietor of four different companies: Grant-Williams Associates (GWA), Grant-Williams Global (GWG), Grant-Williams International (GWI), and Grant-Williams Associates Corporation (GWAC).

11. Open-source internet searches discovered a LinkedIn account for Randy A. Frasinelli. The LinkedIn site details Frasinelli earned an undergraduate degree from the University of Pittsburgh in 1986, an MBA from Cornell University in 1988, and a Ph.D. from Carnegie Mellon University in 2003. In addition, the LinkedIn site details Frasinelli is the Founder & Global Managing Director for Grant-Williams Associates, operating in the Greater Pittsburgh Region, from January 1995 to present.

12. A description of Grant-Williams Associates, as detailed on Frasinelli's LinkedIn page, is as follows: "Extensive experience and interest in global affairs and domestic political policy. Classified technology advisory experience throughout [sic] the U.S. and Europe. Active volunteer and committee member for numerous children's charities as well for a variety of national and international non-profit agencies. Professional direction is toward the matching of Senior Level professionals within a dynamic corporate culture or culture of an emerging growth technology driven organization. Our commitment is toward matching professionals for the positive professional and cultural effect that they can discharge within our client organization."

13. A description of Frasinelli's experience as Managing Director is detailed on Frasinelli's LinkedIn account as follows: "Technology advisor to advanced technology companies on a global basis working on the development and release of classified technology products that are developed and sold to major defense contractors and defense department in the US, UK, Israel and other (friendly) countries across the globe. Retained executive search for emerging growth to Fortune 500 Corporations throughout [sic] the U.S. & Europe. Very hands-on consultative approach to recruiting working in this manner with the client and the candidates."

14. During the investigation, your Affiant noted that between approximately May 2020 and July 2020, Frasinelli fraudulently applied for and obtained a PPP Loan for each of his four companies: Grant-Williams Associates (GWA), Grant-Williams Global (GWG), Grant-Williams International (GWI), and Grant-Williams Associates Corporation (GWAC). Frasinelli obtained GWAC's PPP Loan from Dollar Bank and the GWA, GWG, and GWI PPP Loans from Bank of America. Both Dollar Bank and Bank of America are federally insured financial institutions.

#### **Fraudulent Dollar Bank PPP Loan Application**

15. On or about June 26, 2020, at approximately 1:12PM, Frasinelli sent an email to Dollar Bank with the following detailed in the subject line: re: PPP Loan application information (Grant-Williams Associates Corp). In the body of the email, Frasinelli wrote "Please find attached all of the documents for my PPP loan application for my company; Grant-Williams Associates Corp." Frasinelli's email signature detailed he is the Managing Director, Grant-Williams, with an email of randy@grantwillmsglobal.com, and a reference to his LinkedIn account detailed above in paragraphs 11-13.

16. The PPP loan application and supporting documentation Frasinelli enclosed in the email certified that Frasinelli held the title of President of Grant-Williams Associates Corporation,

that he was also 100% owner of the company, and that he resided at 126 Lindsay Road, Carnegie, PA 15106.

17. Attached to the email, Frasinelli included the Paycheck Protection Program Borrower Application Form requesting a loan in the amount of \$509,000. In reviewing the Application, your Affiant noted Frasinelli made the following certifications:

- a. The Business Legal Name applying for the PPP Loan is Grant-Williams Associates Corporation.
- b. Grant-Williams Associates Corporation has an IRS Employer ID Number (EIN) of 26-1724863.
- c. Grant-Williams Associates Corporation's business address is 301 Grant Street, One Oxford Centre, 43<sup>rd</sup> Floor, Pittsburgh, PA 15219.
- d. Grant-Williams Associates Corporation's average monthly payroll is \$203,600 and the number of employees is "23".

18. Additional attachments to the June 26, 2020 1:12PM email also included an Amended IRS Form 940 for the tax year 2019, and an IRS Form 941 for the 1<sup>st</sup> Quarter of tax year 2020.

19. The Amended IRS Form 940 indicated the name of the company was Grant-Williams Associates Corp., with an EIN of 26-1724863. The form also indicated "Total payments to all employees" for the year 2019 was \$3,588,000.

20. The IRS Form 941 for the 1<sup>st</sup> Quarter of 2020 indicated the name of the company was Grant-Williams Associates Corp., with an EIN of 26-1724863. The form also indicated the number of employees who received wages, tips, or other compensation for the pay period was 23,

with actual wages, tips, and other compensation of \$897,000 for the quarter, and Federal income tax withheld of \$179,400.

21. On or about June 26, 2020, Frasinelli had an email exchange with two Dollar Bank officials regarding the Grant-Williams Associates Corp (GWAC) loan application. In the email exchange, Dollar Bank official M.S. directs Dollar Bank official R.O. to request from Frasinelli “a break down of salaries showing what employees earned over \$100K.” M.S. also directs R.O. to obtain “copies of the documents showing what state and local taxes were paid by the employer.”

22. Dollar Bank official R.O. next sent an email to Frasinelli, incorporating the request from M.S. R.O. wrote to Frasinelli: “Thank you for the opportunity to talk with you today. Please see the requested items below.” In the email to Frasinelli, R.O. was referring to Dollar Bank official M.S.’ request for employee compensation and tax information paid by Grant-Williams Associates Corporation.

23. Later that afternoon, on or about June 26, 2020 at approximately 5:46PM, Frasinelli sends Dollar Bank officials R.O. and M.S. an email stating “Sorry for the delay, as I needed to track down my assistant/accountant “Jenn” in Boston. I am attaching our 2019 PA State/Local tax form and a payroll report prepared for us back in April by ADP specially for use with the Cares Act. **ALL 23 members of the members of our team are at the same salary of \$156,000.** No one on the team has been paid since March and our upcoming work is developing slower than anticipated. This PPP program would be a life saver for us.”

24. Frasinelli attached two forms in this email to Dollar Bank officials R.O. and M.S. The first form was a copy of a handwritten Pennsylvania Department of Revenue Annual Withholding Reconciliation Statement for Grant-Williams Associates, with EIN 26-172486, for

the 2019 tax year. The second form was purportedly an ADP 2020 CARES SBA - PPP: Monthly Payroll Cost report for Grant-Williams Associates.

25. The PA DOR Annual Withholding Reconciliation Statement details that the number of employees on the payroll, and having received a W-2, was “23”. In addition, the form details the Total compensation/distribution subject to PA withholding was \$3,588,000 for the tax year 2019. In addition, the form details the PA personal income tax withheld by Grant-Williams Associates Corporation from its 23 employees was \$449,912 for the tax year 2019. At the bottom of the form, Frasinelli signs the document as “President” purportedly on or about February 21, 2020.

26. The ADP PPP: Monthly Payroll Cost report is dated April 4, 2020 and has the company name “Grant-Williams Associates” towards the top of the report. The report contains purported monthly payroll from January 2019 to December 2019. There are four columns on the report detailing “SBA Gross Pay, Employer Taxes State and Local, Employer Taxes SS/Med, and total Payroll Cost”. The total SBA Payroll column detailing purported payroll for the tax year 2019 is \$3,588,000. The total Employer Taxes State and Local column shows \$143,520, and the total Employer Taxes SS/Med column shows \$449,912.

27. After reviewing the two forms Frasinelli emailed the two Dollar Bank officials, your Affiant noted the total SBA Payroll column on the purported ADP form matches the Total compensation/distribution subject to PA withholding on the purported PA DOR Annual Withholding Reconciliation Statement. However, the total Employer Taxes State and Local on the purported ADP form of \$143,520 does not match the PA personal income tax withheld by the company as shown on the PA DOR Annual Withholding Reconciliation Statement, \$449,912.



28. Another form Frasinelli provided to Dollar Bank to support his PPP loan application for Grant-Williams Associates Corporation was the company's purported SS-4 EIN notice letter. The SS-4 EIN notice letter detailed Grant-Williams Associates Corporation's EIN as 26-1724863. An EIN is required by companies in order to pay and file payroll and payroll taxes. The date of the notice letter is June 2, 2020. Your Affiant notes the date of this letter is obviously well after the tax year 2019 in which Frasinelli is claiming Grant-Williams Associates Corporation had payroll costs, as claimed on the purported ADP report, PA DOR form, IRS Form 940, and IRS Form 941 Frasinelli provided to Dollar Bank to support his PPP loan application.

29. Your Affiant received records from the Commonwealth of Pennsylvania Department of Revenue (PA DOR) relating to Grant-Williams Associates Corporation (GWAC). The PA DOR certified the following information:

- a. There were no Pennsylvania Business Entity Registration records for GWAC or EIN 26-1724863.
- b. There were no W-2 Wages and Withholding Reports for employees of GWAC or EIN 26-1724863 for the tax years 2019 or 2020.
- c. The PA DOR Annual Withholding Reconciliation Statement Frasinelli provided to Dollar Bank in support of his GWAC PPP Loan application was never received by the PA DOR.

30. Your Affiant received records from ADP relating to Grant-Williams Associates Corporation (GWAC). ADP certified the following information:

- a. ADP was unable to locate a record of an ADP payroll client by the name of Grant-Williams Associates Corporation.

- b. ADP was unable to locate a record of a payroll client with the EIN of 26-1724863.
- c. ADP did not create the 2020 CARES SBA – PPP Monthly Payroll Cost report document Frasinelli provided to Dollar Bank in support of his GWAC PPP Loan application.

31. Your Affiant observed the business address Frasinelli claimed on his Dollar Bank PPP Loan application was the address for Grant-Williams Associates Corporation (GWAC), 301 Grant Street, One Oxford Centre, 43<sup>rd</sup> Floor, Pittsburgh, PA 15219.

32. The address 301 Grant Street, One Oxford Centre, 43<sup>rd</sup> Floor, Pittsburgh, PA 15219 is the location for Regus in Pittsburgh. Regus is a company that provides serviced offices, virtual offices, meeting rooms, and videoconferencing to clients on a contract basis.

33. Your Affiant interviewed the Regus Community Manager, H.P., for this Regus office location. H.P. advised Frasinelli and/or GWAC are not current clients renting office space and/or business services from Regus. H.P. further advised the name Frasinelli or any of Frasinelli's companies, GWAC, GWA, GWG, or GWI, are not familiar to H.P. H.P. has been working at this location for almost six years.

#### **Fraudulent Bank of America PPP Loan Applications**

34. Frasinelli applied for and received three PPP Loans from Bank of America in the name of Grant-Williams Associates, Grant-Williams Global, and Grant-Williams International in the amounts of \$207,082, \$525,000, and \$1,304,000, respectively.

35. In each of these PPP Loans, Frasinelli claimed the business address was 126 Lindsay Road, Carnegie, PA 15106. This address is also known to be Frasinelli's personal residence.

36. In each of the PPP Loan applications, Frasinelli indicated what the average monthly payroll was for the company in order to calculate the PPP Loan amount requested. In addition, Frasinelli was required to provide documentation to support the average monthly payroll figures.

37. In the PPP Loan application for Grant-Williams Associates (GWA), Frasinelli claimed GWA had six (6) employees with an average monthly payroll for 2019 of \$82,833. To support this claim, Frasinelli provided a Federal Form 940 for 2019: Employer's Annual Federal Unemployment Tax Return. The Form 940 detailed Grant-Williams Associates as the company name, with an EIN of 20-2462537, an address of 126 Lindsay Road, Carnegie, PA 15106, and total payroll for the tax year 2019 of \$993,996. In dividing the total payroll for the year, Frasinelli came up with the average monthly payroll of \$82,833.

38. To come up with the PPP Loan amount requested, the average monthly payroll is multiplied by a factor of 2.5. To calculate the PPP Loan amount for GWA, Frasinelli multiplied the \$82,833 by the factor of 2.5 to come up with the loan amount of \$207,082.

39. In the PPP Loan application for Grant-Williams Global (GWG), Frasinelli claimed GWG had twelve (12) employees with an average monthly payroll for 2019 of \$210,000. To support this claim, Frasinelli provided a Federal Form 940 for 2019: Employer's Annual Federal Unemployment Tax Return. The Form 940 detailed Grant-Williams Global as the company name, with an EIN of 85-1260543, an address of 126 Lindsay Road, Carnegie, PA 15106, and total payroll for the tax year 2019 of \$2,520,000. In dividing the total payroll for the year, Frasinelli came up with the average monthly payroll of \$210,000.

40. To come up with the PPP Loan amount requested, the average monthly payroll is multiplied by a factor of 2.5. To calculate the PPP Loan amount for GWG, Frasinelli multiplied the \$210,000 by the factor of 2.5 to come up with the loan amount of \$525,000.

41. In the PPP Loan application for Grant-Williams International (GWI), Frasinelli claimed GWI had sixty-five (65) employees with an average monthly payroll for 2019 of \$521,600. He also represented that GWI was assigned an EIN of 85-1260042 and had a business address of 126 Lindsay Road, Carnegie, PA 15106. To support this claim, Frasinelli provided a Federal Form 940 for 2019: Employer's Annual Federal Unemployment Tax Return. The Form 940 detailed Grant-Williams International as the company name, with an EIN of 85-1260042, an address of 126 Lindsay Road, Carnegie, PA 15106, and total payroll for the tax year 2019 of \$6,432,000. Dividing that figure by 12 months would yield the average monthly payroll of \$536,000, which matches an early version of a GWI application Frasinelli submitted to Bank of America. However, the final GWI application submitted by Frasinelli detailed an average monthly payroll of \$521,600. Affiant did not note any supporting documentation in the application to explain the discrepancy of the two different average monthly payroll figures, \$536,000 supported by the payroll tax forms Frasinelli provided the bank and the \$521,600 ultimately used to calculate the loan amount approved.

42. To come up with the PPP Loan amount requested, the average monthly payroll is multiplied by a factor of 2.5. To calculate the PPP Loan amount for GWI, Frasinelli multiplied the \$521,600 by the factor of 2.5 to come up with the loan amount of \$1,304,000.

43. Your Affiant received records from the Commonwealth of Pennsylvania Department of Revenue (PA DOR) relating to Grant-Williams Associates (GWA), Grant-Williams Global (GWG), and Grant-Williams International (GWI). The PA DOR certified the following information:

- a. There were no Pennsylvania Business Entity Registration records for GWA or EIN 20-2462537, GWG or EIN 85-1260543, or GWI.

- b. There were no W-2 Wages and Withholding Reports for employees of GWA or EIN 20-2462537, GWG or EIN 85-1260543, or GWI for the tax years 2019 or 2020.

44. Your Affiant received records from ADP relating to Grant-Williams Associates (GWA), Grant-Williams Global (GWG), and Grant-Williams International (GWI). ADP certified the following information:

- a. ADP was unable to locate a record of an ADP payroll client by the name of Grant-Williams Associates, Grant-Williams Global, or Grant-Williams International.
- b. ADP was unable to locate a record of a payroll client with the EIN of 20-2462537 or 85-1260543.

**Fraudulent Use of PPP Loan Proceeds**

45. As part of the investigation, Affiant has obtained signature cards and bank account statements for the Grant-Williams Associates Corporation (GWAC) Dollar Bank account, X9209, and the Grant-Williams Associates (GWA), Grant-Williams Global (GWG), and Grant-Williams International (GWI) Bank of America accounts, X0375, X0618, and X0049, respectively. In addition, your Affiant has conducted a thorough review and analysis of the Dollar Bank GWAC account and all three Bank of America accounts, in addition to other records obtained during the investigation.

46. Randy A. Frasinelli is the only authorized signer for the Dollar Bank account X9209, and each of the three Bank of America accounts, X0375, X0618, and X0049.

47. The analysis of the financial records confirms that Frasinelli disbursed the proceeds of all four PPP Loans in a manner inconsistent with and contrary to the certifications Frasinelli

made when applying for the PPP Loans. Specifically, the disbursements do not appear to be necessary to support ongoing operations of GWAC, GWA, GWG, or GWI. In addition, it does not appear that the four PPP Loan proceeds were used at all to retain workers and maintain payroll, make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.

**Grant-Williams Associates Corp (GWAC) PPP Loan Proceeds**

48. Your Affiant obtained records for the Grant-Williams Associates Corporation (GWAC) Dollar Bank account ending in X9209 for the time period of June 26, 2020 to February 28, 2021.

49. On or about July 3, 2020, \$509,000 was electronically deposited into Frasinelli's Grant-Williams Associates Corporation (GWAC) Dollar Bank account ending in X9209. The \$509,000 deposit is loan proceeds for GWAC's PPP Loan that Frasinelli applied for and obtained from Dollar Bank.

50. On June 26, 2020, prior to the PPP loan deposit, the balance in the account was \$0.00. This account was opened on or about June 26, 2020. Other than the PPP loan proceeds deposit on July 3, 2020, there was only a cash counter deposit of \$15.48, on or about June 26, 2020, an incoming wire deposit of \$5,000 from GWG's Bank of America account X0618 on or about June 26, 2020, and a \$400 ATM deposit, on or about November 16, 2020. There were no business revenues deposited into this account during the period reviewed, June 26, 2020 to February 28, 2021.

51. The financial records show that the GWAC PPP loan proceeds of \$509,000 were utilized by Frasinelli for personal use and not to retain workers, maintain payroll, or make mortgage interest payments, lease payments, and utility payments for GWAC. From a review of

the bank records, Affiant did not note any payroll, mortgage, lease, or utility payments from GWAC for the time period June 26, 2020 to February 28, 2021. On February 4, 2021, this account was frozen and seized by the government with a balance of \$428.98.

52. On or about July 6, 2020, Frasinelli wired \$500,000 from the GWAC Dollar Bank account X9209 to the GWG Bank of America account X0618. Per the PPP Loan program, PPP loan proceeds are only to be used for the company in whose name the PPP Loan application was obtained. See below paragraphs 59-63 for a description of how Frasinelli used the \$500,000 GWAC PPP loan proceeds after Frasinelli wired them to the GWG Bank of America account X0618.

53. Examples of how Frasinelli used the remaining GWAC PPP loan proceeds, after wiring \$500,000 to the GWG Bank of America account, include food, wine and spirits, dining out, retail store purchases, and ATM cash withdrawals.

#### **Grant-Williams Associates (GWA) PPP Loan Proceeds**

54. Affiant obtained records for the Grant-Williams Associates (GWA) Bank of America account ending in X0375 for the time period of May 1, 2020 to February 28, 2021.

55. On or about May 4, 2020, \$125,000 was electronically deposited into Frasinelli's Grant-Williams Associates (GWA) Bank of America account ending in X0375. The deposit was detailed on the bank statement as "Cares Act Paycheck Protection Program Deposit". In addition, on or about May 27, 2020, \$82,082 was electronically deposited into the GWA Bank of America account ending in X0375. The deposit was detailed on the bank statement as "Cares Act Paycheck Protection Program Deposit - ADJ".

56. On May 1, 2020, prior to the PPP loan deposits, the balance in the account was in overdraft status with a negative balance of -\$515.06. Other than the PPP loan proceed deposits,

on May 4, 2020 and May 27, 2020, and incoming account transfers from the Grant-Williams International (GWI) and Grant-Williams Global (GWG) Bank of America accounts ending in X0049 and X0618 respectively, there were no business revenues deposited into this account. The GWI and GWG incoming account transfers, \$44,800 and \$13,000, respectively, were disbursed directly from GWI and GWG's PPP loan proceeds. PPP loan proceeds are only to be used for the company in whose name the PPP Loan application was obtained.

57. The financial records show that the GWA PPP loan proceeds of approximately \$207,082, in addition to GWI's \$44,800 and GWG's \$13,000 PPP loan proceeds, were utilized by Frasinelli for personal use and not to retain workers, maintain payroll, or make mortgage interest payments, lease payments, and utility payments for any of the companies. From a review of the bank records, Affiant did not note any payroll, mortgage, lease, or utility payments on behalf of GWA for the time period May 1, 2020 to February 28, 2021. On February 4, 2021, this account was frozen and seized by the government with a balance of \$788.45.

58. Examples of Frasinelli's personal use of the GWA, GWG, and GWI PPP loan proceeds include, Amazon.com and PayPal purchases, food and wine purchases, firearms purchases, vacation trips, both domestically and internationally, for himself and family members, college tuition payments for family members, as well as direct payments to multiple Frasinelli family members.

**Grant-Williams Global (GWG) PPP Loan Proceeds**

59. Affiant obtained records for the Grant-Williams Global (GWG) Bank of America account ending in X0618 for the time period of June 5, 2020 to February 28, 2021.



60. On or about June 11, 2020, \$525,000 was electronically deposited into Frasinelli's Grant-Williams Global (GWG) Bank of America account ending in X0618. The deposit was detailed on the bank statement as "Cares Act Paycheck Protection Program Deposit".

61. On June 5, 2020, prior to the PPP loan deposit, the balance in the account was \$0.00. This account was opened on or about June 5, 2020. Other than the PPP loan proceeds deposit on June 11, 2020, and incoming account transfers from the GWI and GWA Bank of America accounts, ending in X0049 and X0375 respectively, and a GWAC account maintained at Dollar Bank, there were no business revenues deposited into this account. The Dollar Bank incoming transfer was on July 6, 2020 in the amount of \$500,000. The GWI, GWA, and GWAC incoming account transfers, \$1,181,700, \$2,000, and \$500,000, respectively, were disbursed directly from GWI, GWA, and GWAC's PPP loan proceeds. PPP loan proceeds are only to be used for the company in whose name the PPP Loan application was obtained.

62. The financial records show that the GWG PPP loan proceeds of \$525,000, in addition to the \$1,181,700, \$2,000, and \$500,000 GWI, GWA, and GWAC PPP loan proceeds, were utilized by Frasinelli for personal use and not to retain workers, maintain payroll, or make mortgage interest payments, lease payments, and utility payments for any of the companies. From a review of the bank records, Affiant did not note any payroll, mortgage, lease, or utility payments from GWG for the time period June 5, 2020 to February 28, 2021. On February 4, 2021, this account was frozen and seized by the government with a balance of \$891.70.

63. Examples of Frasinelli's personal use of the GWG, GWI, GWA, and GWAC PPP loan proceeds include, PayPal purchases, personal vehicle expenses, firearms purchases, vacation trips, both domestically and internationally, for himself and family members, college tuition payments for family members, the purchase of precious metals from on-line dealers, as well as

direct payments to multiple Frasinelli family members. In addition, Frasinelli wired approximately \$1,820,000 to accounts maintained in his name at Fidelity Investments.

**Grant-Williams International (GWI) PPP Loan Proceeds**

64. Affiant obtained records for the Grant-Williams Global (GWI) Bank of America account ending in X0049 for the time period of June 29, 2020 to February 28, 2021.

65. On or about July 31, 2020, \$1,304,000 was electronically deposited into Frasinelli's Grant-Williams International (GWI) Bank of America account ending in X0049. The deposit was detailed on the bank statement as "Cares Act Paycheck Protection Program Deposit".

66. On June 29, 2020, prior to the PPP loan deposit, the balance in the account was \$0.00. This account was opened on or about June 29, 2020. Other than the PPP loan proceeds deposit on June 29, 2020, and incoming account transfers from the Grant-Williams Global (GWG) Bank of America account ending in X0618, there were no business revenues deposited into this account. The GWG incoming account transfers totaled \$32,000 and were disbursed directly from GWG's PPP loan proceeds. PPP loan proceeds are only to be used for the company in whose name the PPP Loan application was obtained.

67. The financial records show that the GWI PPP loan proceeds of \$1,304,000, in addition to the transferred \$32,000 GWG loan proceeds, were utilized by Frasinelli for personal use and not to retain workers, maintain payroll, or make mortgage interest payments, lease payments, and utility payments for the companies. From a review of the bank records, Affiant did not note any payroll, mortgage, lease, or utility payments from GWI for the time period June 5, 2020 to February 28, 2021. On February 4, 2021, this account was frozen and seized by the government with a balance of \$3,584.11.

68. Examples of Frasinelli's personal use of the GWI and GWG PPP loan proceeds include, Amazon.com and PayPal purchases, the purchase of high-end vehicles for himself and family members, firearms purchases, vacation trips, both domestically and internationally, for himself and family members, the purchase of precious metals from on-line dealers, jewelry, artwork, cryptocurrency, as well as direct payments to multiple Frasinelli family members.

### **Fruits of Fraudulent PPP Applications**

69. As detailed above, Frasinelli applied for and received PPP Loans for his companies Grant-Williams Associates (GWA), Grant-Williams Global (GWG), Grant-Williams International (GWI), and Grant-Williams Associates Corporation (GWAC).

70. As part of each PPP Loan application, Frasinelli certified that the current economic uncertainty made these loan requests necessary to support the ongoing operations of the Applicant, GWA, GWG, GWI and GWAC respectively. In addition, Frasinelli certified that the funds would be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.

71. However, Frasinelli instead used the funds to purchase vehicles, precious metals, jewelry, artwork, firearms and firearm accessories, and personal investments.

72. Frasinelli also wired \$1,820,000 in PPP Loan proceeds to investment accounts in his name at Fidelity Investments. Both accounts are in the name of Randy A. Frasinelli at 126 Lindsay Road, Carnegie, PA 15106. The wire payments are detailed as followed:

- a. 6/23/2020 - \$250,000 wire from GWG's Bank of America account X0618;
- b. 6/25/2020 - \$150,000 wire from GWG's Bank of America account X0618;
- c. 6/25/2020 - \$20,000 wire from GWG's Bank of America account X0618;
- d. 7/07/2020 - \$250,000 wire from GWG's Bank of America account X0618;

- e. 7/08/2020 - \$150,000 wire from GWG's Bank of America account X0618;
- f. 8/03/2020 - \$250,000 wire from GWG's Bank of America account X0618; and,
- g. 8/03/2020 - \$750,000 wire from GWG's Bank of America account X0618.

73. Affiant obtained records for the Fidelity Investments accounts, #X91-661654 and #X91-661655, for the time period of April 1, 2020 to January 31, 2021. Account X91-661654 is a General Investment account styled Fidelity Account Randy A. Frasinelli – Individual TOD. TOD is an acronym for Transfer on Death. Account X91-661655 is a General Investment account styled Fidelity Cash Management Account Randy A. Frasinelli – Individual.

74. On April 1, 2020, prior to all three PPP loan deposits, the balance in account X91-661654 was \$0.00. On this same date, the balance in account X91-661655 was in overdraft status with a negative balance of -\$54.69.

75. Your Affiant reviewed the Fidelity Investment accounts statements and noted the following:

- a. The only funding deposits for these two personal Fidelity Investment accounts was from the GWG Bank of America account X0618, the above detailed \$1,820,000 in wire payments.
- b. The account activity consisted of the buying and selling of various equity stock mutual funds.

76. Between approximately August 21, 2020 and October 1, 2020, Frasinelli directed Fidelity Investments to sell some of his equity positions and wire funds to the GWI Bank of America account X0049 totaling \$770,000. These funds were spent in the same manner as described earlier in paragraphs 67 and 68.

### **Search and Seizure Warrants**

77. On or about February 3, 2021, the Honorable Patricia L. Dodge signed a search warrant for Frasinelli's residence at 126 Lindsay Road, Carnegie, PA 15106, as well as eighteen seizure warrants for property traceable to proceeds of Frasinelli's fraud, including a Ford Mustang, two Mercedes SUVs, a BMW sedan, a Land Rover Defender, a Porsche Panamera, gold bars and silver coins, watches and accessories, works of art, firearms, and the contents of two investment accounts and four bank accounts. These warrants are filed at Magistrate Numbers 21-204 to 21-222. The warrants were executed the following day, February 4, 2021.

### **New PPP Application**

78. On April 13, 2021, Affiant received information from an agent with the Small Business Administration's Office of Inspector General. This new information indicated that, on or about March 13, 2021, Randy Frasinelli received a fifth PPP loan in the amount of \$1,340,000. The loan was funded by Bank of America. The application was made in Frasinelli's own name, rather than in a business name. Affiant queried publicly available data regarding granted PPP loans through [www.federalpay.org](http://www.federalpay.org). That data indicates that Randy Frasinelli, as a sole proprietor without an entity name, received a \$1.34 million PPP loan that was approved by Bank of America on March 13, 2021. The data suggests that the loan resulted in 53 jobs being retained.

### **CONCLUSION**

79. For all the foregoing reasons, there is probable cause to believe that bank fraud, in violation of 18 U.S.C. § 1344, and money laundering, in violation of 18 U.S.C. § 1957(a), have been committed by Randy Frasinelli, in the Western District of Pennsylvania. Accordingly, your Affiant requests that a criminal complaint and arrest warrant be issued.

The above information is true and correct to the best of my knowledge, information and belief.

/s/ Sean Langford  
SEAN LANGFORD  
Special Agent, FBI

Sworn and subscribed before me, by telephone  
pursuant to Fed. R. Crim. P. 4.1(b)(2)(A),  
this 14<sup>th</sup> day of April, 2021.

Cynthia H. Eddy  
HONORABLE CYNTHIA REED EDDY  
CHIEF UNITED STATES MAGISTRATE JUDGE

